

House File 669

H-1207

1 Amend House File 669 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 476.6, Code 2019, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 22. *Value of distributed solar tariff and*
7 *credit — methodology.*

8 a. For purposes of this subsection:

9 (1) "*Distributed solar facility*" means a solar distributed
10 generation facility as defined in section 476.58.

11 (2) "*Net metering*" means the interconnection of an alternate
12 energy production facility or small hydro facility with an
13 electric utility whereby electricity produced by the facility
14 and consumed on site offsets electricity that would otherwise
15 be purchased from the electric utility, excess electricity
16 produced by the facility is transferred to the utility's
17 electrical grid, and the customer is provided a credit for the
18 electricity transferred to the utility's electrical grid.

19 b. The general assembly recognizes that distributed solar
20 facilities provide a wide range of benefits to the electric
21 distribution grid, and to electric utilities and their
22 customers. The general assembly also recognizes that many
23 states and electric utilities have evaluated and quantified
24 the benefits in value of solar studies. The general assembly
25 additionally recognizes that once quantified, this information
26 can be used to establish rates for customers that utilize
27 distributed solar facilities that reflect and compensate
28 such customers for these benefits. The general assembly
29 further recognizes that states have evaluated and quantified
30 numerous values and benefits with respect to distributed solar
31 facilities, including avoided fuel costs, energy and capacity
32 costs, reduction in peak load, electric grid benefits, and
33 local economic development.

34 c. The board shall establish a methodology to derive a value
35 of distributed solar tariff and credit as an alternative to

1 net metering for distributed solar facility customers. The
2 methodology shall account for the value of a distributed solar
3 facility and its output, as well as the value of any affiliated
4 energy storage facility. In establishing the methodology, the
5 board shall initiate a formal proceeding to gather input from
6 electric utilities and other interested stakeholders. The
7 methodology shall, at a minimum, fully account for the value of
8 energy and its delivery, including at peak times, generation
9 capacity, avoided transmission and distribution capacity,
10 avoided transmission and distribution line losses, avoided fuel
11 costs, fuel cost stability and hedge value, avoided reserve
12 capacity costs, avoided or deferred electric infrastructure
13 costs, including initial capital costs and ongoing fixed and
14 variable costs, and avoided federally mandated pollution
15 mitigation costs. To the extent feasible, the methodology
16 shall also consider other benefits and values, including the
17 installation of distributed solar facilities at high-value
18 locations on the electric distribution grid. The methodology
19 may take into account electric distribution grid integration
20 costs which are directly attributable to distributed solar
21 facilities and are not directly paid by the customer during the
22 interconnection process. However, the methodology shall not
23 consider wholesale market energy and capacity costs.

24 *d.* The board shall review and consider changes to the
25 methodology established under paragraph "c" every three years.

26 *e.* The board shall submit a report to the general assembly
27 containing the results of the methodology established under
28 paragraph "c" by December 31, 2020, and by the same date every
29 three years thereafter.>

30 2. Title page, by striking lines 1 and 2 and inserting
31 <An Act providing for a methodology to establish tariffs and
32 credits applicable to certain solar facilities.>

PAUSTIAN of Scott

ZUMBACH of Linn

MITCHELL of Henry

MAXWELL of Poweshiek

LUNDGREN of Dubuque

THOMPSON of Greene

McKEAN of Jones

BLOOMINGDALE of Worth

LOHSE of Polk

SHIPLEY of Jefferson

KLEIN of Washington

KERR of Louisa

BERGAN of Winneshiek